

August 10, 2008

To: Securities & Exchange Commission

From: Timothy Frisby

Re: Proposed Rule 151A

To Whom this May Concern:

I am providing my comments on this proposed ruling, because, while I applaud any effort by the SEC to protect the Americans who are saving for their retirement, I feel that this ruling change WILL NOT achieve the intended objective, which is the protection of the millions of Americans who are seek a safe alternative to investments which carry some form of risk.

The problems relevant to the targeted financial product, the Equity Index Annuity, have nothing to do with the product itself, rather they have stemmed from the method of marketing and the unprofessional sales tactics of "blue suede shoes" sales persons who have taken a great concept / product and tarnished it with their unscrupulous (at worst) or incompetent (at best) representation of what the Equity linked, index annuity IS, and what it DOES..

The SEC should not ignore the DEMAND for a product that provides guarantees against market risk. The millions of Americans who lost money in the bear market of 2000-2002 were/are/ and continue to seek alternatives to volatile stock market investments. The fact that their principal can be guaranteed against loss is one of the reasons for the rapid growth in sales of these annuity products.

The product concept is a SOLUTION for risk adverse savers; those who seek the opportunity to achieve a higher return (over time) than what can be earned in this low interest rate environment from traditional "safe money" options such as CD's, T-bills, and traditional fixed annuities. The securities industry has been offering its version of "principal guaranteed" products, but these "solutions" come with rather high fees which can consume most if not all gains in down and trendless markets.

The problem with suitability and unethical practices by unprofessional annuity salesmen is being addressed by the insurance industry as we speak. Surely, much of the problem occurred due to a lack of oversight by many of the insurance carriers in their quest for premium dollars. THEY HAVE SEEN THE LIGHT! The additional paperwork and compliance related requirements that I and all other financial professionals who recommend index annuities today, is a testimony to the efforts being made by the industry to "straighten out" the problem with their agents.

Many of my clients who have owned index annuities over the past seven years, HAVE NEVER COMPLAINED about the fact that their accounts have NEVER GONE DOWN since owning them. This cannot be said by investors in mutual funds or variable annuities!

Deciding that an Insurance Product is now a Securities Product is not only unreasonable, it will deny the very public which you serve, the opportunity to have such a safe haven for their money. Do you think the securities industry will promote a "safe" and "cost efficient" alternative to their other products? They would be admitting that what they presently offer is both risky, and costly. NO. They will shove the index linked annuity into the bottom drawer, never to see the light of day!

Should the SEC decide to make Proposed Rule 151A permanent, this will cause financial harm not only to my business, but to other financial professionals who seek to provide a safe, cost effective alternative to mutual funds and variable annuities. The American savers and retirees whom you seek to protect WILL NOT BENEFIT; rather, the only ones who will benefit from this change are the securities firms who seek to restrict trade, and deny the American people a safe and efficient alternative to the products they sell.

At this point in time, given the volatility and uncertainty of the stock market and economy, such a ruling would be the worst possible decision and would do nothing to solve the problem. This ruling, if enacted, will cause thousands more jobs to be lost and exacerbate an increasingly serious recession. Please Sirs! Do Not Go Forward with Ruling 151A.

Thank You for giving consideration to my views. I have been a registered investment advisor for 13 years and to deny me what I consider the most suitable alternative to safety conscious investors, is to drive a stake into the heart of my business. I do not deserve this; my clients do not deserve this.